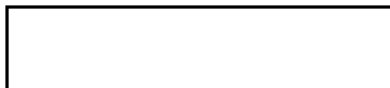


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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/162

23 April 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events*
6-19 April 1962

Bolivian President Paz has expressed interest in expanding economic relations with the USSR because of Bolivia's desperate economic need and the suitability of Soviet-manufactured equipment for developing Bolivia's mineral and petroleum resources. The Soviet offer in 1960 of \$100 million in credits is still outstanding, and Bolivia has repeatedly postponed sending a negotiating team to the USSR.

Efforts to expand Czechoslovak interests and influence in the depressed Brazilian Northeast have increased significantly during recent weeks. A number of steps have been taken that may lead to closer relations between the area and Czechoslovakia.

According to the first contract to be signed under the economic aid agreement of May 1961, Czechoslovakia will supply mining equipment for the development of Morocco's copper resources. Payment for this assistance will be made in deliveries of copper ore over a 5-year period at 3 percent interest.

Two Soviet freighters recently arrived in Casablanca with arms for the Moroccan army. These deliveries of Soviet materiel are the first to be made under the recently concluded arms agreement.

The USSR reportedly has agreed to extend assistance to India's Defense Research Organization, an agency responsible for India's missile development program, but this aid probably will be limited to the training of Indian specialists in the USSR.

The USSR will assist Afghanistan in developing its housing construction industry and in city planning, according to a recent agreement.

The initiation of agricultural reform and development programs in underdeveloped countries requires an improved organization of production and marketing as well as the formation of large cadres of trained

* An unclassified appendix summarizing Bloc economic credits and grants extended to underdeveloped countries, 1 January 1954 - 31 March 1962, is included in this issue on p. 14.

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personnel. The Bloc has provided or is committed to provide technical assistance for agricultural development valued at approximately \$100 million. Although Free World assistance for agriculture emphasizes private ownership of land, the Bloc encourages the expansion of state-controlled agriculture and is introducing techniques and methods toward that end in those countries where it has aid programs in this field.

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APPENDIX

Sino-Soviet Bloc Economic Credits and Grants
 Extended to Underdeveloped Countries of the Free World a/*
 1 January 1954 - 31 March 1962

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Credits</u>	<u>Grants</u>
Total	<u>4,651</u>	<u>4,495</u>	<u>156</u>
<u>Latin America</u>	<u>465</u>	<u>465</u>	<u>0</u>
Argentina	104	104	0
Brazil	4	4	0
Cuba	357	357	0
<u>Middle East</u>	<u>1,133</u>	<u>1,127</u>	<u>6</u>
Cyprus	1	1	0
Iran	6	6	0
Iraq	216	216	0
Syrian Arab Republic	178	178	0
Turkey	17	17	0
United Arab Republic (Egypt)	671 <u>b</u> /	666 <u>b</u> /	5
Yemen	44	43	1
<u>Africa</u>	<u>625</u>	<u>611</u>	<u>14</u>
Ethiopia	114	112	2
Ghana	200	200	0
Guinea	110	104	6
Mali	65	65	0
Morocco	5	5	0
Somali Republic	63	57	6
Sudan	22	22	0
Tunisia	46	46	0

* Footnotes for the appendix follow on p. 15.

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Sino-Soviet Bloc Economic Credits and Grants
 Extended to Underdeveloped Countries of the Free World a/
 1 January 1954 - 31 March 1962
 (Continued)

Million US \$			
<u>Area and Country</u>	<u>Total</u>	<u>Credits</u>	<u>Grants</u>
<u>Asia</u>	<u>2,312</u>	<u>2,176</u>	<u>136</u>
Afghanistan	417 <u>c/</u>	417 <u>c/</u>	0
Burma	93	93	0
Cambodia	65	8	57
Ceylon	88	42	16
India	950	946	4
Indonesia	641	640	1
Nepal	55	0	55
Pakistan	33	30	3
<u>Europe</u>	<u>116</u>	<u>116</u>	<u>0</u>
Iceland	5	5	0
Yugoslavia	111 <u>d/</u>	111 <u>d/</u>	0

- a. Not including military credits and grants.
 b. Not including about \$12 million in credits that were extended in 1958 and 1960 and have expired.
 c. Although some grant aid is included, a breakdown is not possible.
 d. Not including about \$353 million in credits that were extended in 1956 and subsequently either canceled or allowed to expire.

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